

UNIFORM SYSTEM OF ACCOUNTS

FOR

**MUNICIPALLY OWNED
ELECTRIC UTILITIES**

CLASS C

EFFECTIVE

JANUARY 1, 1960

**PUBLIC SERVICE COMMISSION
OF WISCONSIN**



State of Wisconsin \ PUBLIC SERVICE COMMISSION

September 30, 1988

CHARLES H. THOMPSON, CHAIRMAN
MARY LOU MUNTZ, COMMISSIONER
GEORGE R. EDGAR, COMMISSIONER

4802 Sheboygan Avenue
P. O. Box 7854
Madison, Wisconsin 53707

TO: All Municipal Utilities:

The purchase and use of computers by utilities for various accounting, record keeping and operating functions has been increasing at a rapid pace and this pace is expected to continue.

Under the Uniform System of Accounts, the normal classification for general use computers and computer related equipment has been Account 391, Office Furniture and Equipment. Due to the nature of this equipment, its service life and unit cost is significantly different from other classes of property included in Account 391.

Because of these differences we are making the accounting recommendation to all municipal utilities to segregate and subaccount all general use computers and computer related equipment to Account 391.1, Computers. It is recommended that the following depreciation rate be used for this subaccount:

Classes A, B, and C Water and Electric

<u>Account</u>	<u>Description</u>	<u>Service Life (Years)</u>	<u>Net Salvage (%)</u>	<u>Deprec. Rate (%)</u>
391.1	Computers	7	-0-	14.29%

Class D Water and Electric or Sewer

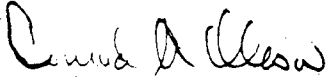
<u>Account</u>	<u>Description</u>	<u>Service Life (Years)</u>	<u>Net Salvage (%)</u>	<u>Deprec. Rate (%)</u>
372.1	Computers	7	-0-	14.29%

If your utility has already established a subaccount for its computer and computer related equipment and has a certified or authorized rate different from the above recommended rate, please continue to use the depreciation rate as previously authorized or certified to your utility.

All Municipal Utilities
Page 2

If your utility has information and/or reasons to use a service life different from the above recommended rate, please send this information to Clarence Mouglin, Accounts and Finance Division for our analysis and determination.

Sincerely,

A handwritten signature in dark ink, appearing to read "Conrad A. Oleson". The signature is fluid and cursive, with the first name "Conrad" being more prominent.

Conrad A. Oleson, Administrator
Accounts and Finance Division

CAO:CEM:pdr09288802

In the Matter of Uniform Systems)
of Accounts for Municipally Owned) 2-U-5005
Water and Electric Utilities)

ORDER PRESCRIBING SYSTEMS OF ACCOUNTS

WHEREAS, on May 22, 1958, the Commission instituted an investigation, on its own motion, of the systems of account for municipally owned water and electric utilities; and

WHEREAS, such matter was investigated by the staff of the Commission in co-operation with a committee of municipal utility representatives; and

WHEREAS, pursuant to due notice, the commission did, on December 17, 1958, hold a public hearing on said matter for the purpose of giving all parties interested an opportunity to be heard in the above-entitled matter; and

WHEREAS, the Commission being duly advised in the premises, finds that it is in the public interest that the presently effective systems of accounts for water and electric utilities be made inapplicable to municipally owned water and electric utilities subsequent to December 31, 1959, and that there be substituted for the use of such municipal utilities the systems of accounts as prescribed below.

IT IS THEREFORE ORDERED, in conformity with section 196.06, Statutes, that on and after January 1, 1960, the Uniform System of Accounts for Classes A and B Water Utilities, Exhibit 1, the Uniform System of Accounts for Class C Water Utilities, Exhibit 2, the Uniform System of Accounts for Class D Water Utilities, Exhibit 3, the Uniform System of Accounts for Classes A and B Electric Utilities, Exhibit 4, the Uniform System of Accounts for Class C Electric Utilities, Exhibit 5, and the Uniform System of Accounts for Class D Electric Utilities, Exhibit 6, as introduced at the hearing on December 17, 1958, be and the same are hereby prescribed for use of the several classes of municipally owned water and electric utilities as defined in said systems, provided, however, that, in instances where a municipality owns both a water and an electric utility, the larger size classification applicable to either shall be applied to each utility.

Dated at Madison, Wisconsin, this 9th day of January 1959.

By the Commission.

Edward T. Kaveny, Secretary

TABLE OF CONTENTS

	<u>Page</u>
Definitions	3
General Instructions	5
Utility Plant Instructions	8
Operating Expense Instructions	20
Balance Sheet Accounts	22
Utility Plant Accounts	39
Income Accounts	72
Operating Revenue Accounts	82
Operation and Maintenance Expense Accounts	87

DEFINITIONS

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.
2. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
3. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.
4. "Commission," unless otherwise indicated by the context, means the Public Service Commission of Wisconsin.
5. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.
6. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and handling incidental thereto.
7. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.
8. "Depreciation," as applied to depreciable utility plant, means the loss in service value not restored by current maintenance incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.
9. "Discount" as applied to the securities issued or assumed by the utility, means the excess of the face value of the securities plus interest accrued at the date of the sale over the cash value of the consideration received from their sale.
10. "Investment advances" means advances, represented by notes or book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall not be subject to current settlement.

DEFINITIONS

11. "Minor items of property" means the associated parts or items of which retirement units are composed.
12. "Municipality" means city, village, town or other governmental entity which owns the proprietary capital of the public utility.
13. "Net salvage value" means the salvage value of property retired less the cost of removal.
14. "Original cost," as applied to utility plant, means the cost of such property to the person first devoting it to public service.
15. "Premium," as applied to the securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their face value and interest accrued at the date of sale.
16. "Property retired," as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.
17. "Replacing" or "replacement," when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.
18. "Retirement units" means those items of utility plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the utility plant account in which included.
19. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.
20. "Service life" means the time between the date utility plant is includible in utility plant in service, or utility plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.
21. "Service value" means the difference between original cost and net salvage value of utility plant.
22. "Utility," as used herein and when not otherwise indicated in the context, means any public utility to which this system of accounts is applicable.

GENERAL INSTRUCTIONS

1. Classification of Utilities

A. For the purpose of applying systems of accounts prescribed by the Commission, electric utilities are divided into four classes, as follows:

Class A. Utilities having annual electric operating revenues of \$ 8,000,000 or more.

Class B. Utilities having annual electric operating revenues of \$ 4,000,000 or more but less than \$ 8,000,000.

Class C. Utilities having annual electric operating revenues of \$ 200,000 or more but less than \$ 4,000,000.

Class D. Utilities having annual electric operating revenues of less than \$ 200,000.

B. This system of accounts applies to Class C utilities. Those applicable to Class A and Class B and to Class D utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual electric operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual electric operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual electric operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. Records

A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all facts relevant thereto.

B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the facts regarding any transaction.

GENERAL INSTRUCTIONS

C. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept, provided the integrity of the prescribed accounts is not impaired.

D. All amounts included in the accounts prescribed herein for utility plant and operating expenses shall be just and reasonable and any payments or accruals by the utility in excess of just and reasonable charges shall be included in account 426, Other Income Deductions.

E. The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the Commission.

3. Numbering System

A. The account numbering scheme used herein consists of a system of three-digit whole numbers as follows:

- 100-199 Assets and Other Debits.
- 200-299 Liabilities and Other Credits.
- 300-399 Plant Accounts.
- 400-439 Income Accounts.
- 440-459 Revenue Accounts.
- 500-599 Production, Transmission and Distribution Expense.
- 900-949 Customer Accounts, Sales and General Administrative Expenses.

B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.

C. The numbers prefixed to account titles are solely for convenience of reference and are not part of the titles. Each utility may adopt such scheme of account numbers as it deems appropriate; provided, however, that it shall keep readily available a list of the account numbers and subdivisions of accounts which it uses and a reconciliation of such numbers and subdivisions with the account numbers and titles provided herein. Further, the records must be so kept as to permit classification or summarization each accounting period according to the prescribed accounts.

4. Accounting Period

Each utility in Class C shall keep its books on a monthly or other appropriate basis so that for each accounting period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Each utility shall close its books at the end of each calendar year.

5. Submittal of Questions

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

GENERAL INSTRUCTIONS

6. Item Lists

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7. Accounting to be on Accrual Basis

A. The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of all known transactions of appreciable amount which affect the accounts. If bills covering such transactions have not been received or rendered, the amount shall be estimated and appropriate adjustments made when the bills are received.

B. When payments are made in advance for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 165, Prepayments, and spread over the periods to which applicable by credits to account 165, and charges to the accounts appropriate for the expenditure.

8. Distribution of Pay and Expenses of Employees

The charges to utility plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

9. Payroll Distribution

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonable accurate distribution to be made of the cost of labor charged initially to clearing so that the total labor cost may be classified between construction, cost of removal, utility operating functions (steam generation, hydraulic generation, transmission, distribution, etc.) and nonutility operations.

UTILITY PLANT INSTRUCTIONS

1. Utility plant to be Recorded at Cost

A. All amounts included in the accounts for utility plant acquired as an operating unit or system, shall be stated at the cost incurred by the person who first devoted the property to utility service and all other utility plant shall be included in the accounts at the cost incurred by the utility except as otherwise provided in the texts of the intangible plant accounts. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the utility plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Utility plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the utility plant accounts at cost of construction. There shall be credited to the accounts for accumulated depreciation and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the utility plant accounts and the accumulated depreciation and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. Components of Construction Cost

The cost of construction of property chargeable to the utility plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. Overhead Construction Costs

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expense, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

UTILITY PLANT INSTRUCTIONS

B. As far as practicable, the determination of pay roll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

4. Utility Plant Purchased or Sold

A. When utility plant constituting an operating unit or system is acquired by purchase after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in utility plant, shall be charged to account 102, Utility Plant Purchased or Sold.

B. The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Utility Plant Purchased or Sold, and concurrently charged to the appropriate utility plant in service accounts and to account 104, Utility Plant Leased to Others, account 105, Property Held for Future Use, and account 107, Construction Work in Progress, as appropriate.

(2) The requirements for accumulated provision for depreciation and amortization applicable to the original cost of the properties purchased, if required by the Commission to be recorded by the accounting utility, determined with due regard to operating practices of the purchaser and his plans regarding such property, and giving consideration also to the effect on such requirements of any rehabilitation expenditures (see paragraph C), shall be charged to account 102, Utility Plant Purchased or Sold, and concurrently credited to the appropriate account for accumulated provision for depreciation or amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The amount of contributions in aid of construction applicable to the property acquired, and which the purchaser may be required to record, shall be charged to account 102, Utility Plant Purchased or Sold, and concurrently credited to account 271, Contributions in Aid of Construction.

(5) The amount remaining in account 102, Utility Plant Purchased or Sold, shall then be closed to account 108, Utility Plant Acquisition Adjustments.

UTILITY PLANT INSTRUCTIONS

C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of utility plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When utility plant constituting an operating unit or system is sold, the book cost of the property sold or transferred to another shall be credited to the appropriate utility plant accounts, including amounts carried in account 108, Utility Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Utility Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus. (See account 102, Utility Plant Purchased or Sold.)

5. Expenditures on Leased Property

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the utility plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, then the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-Term Utility Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, then the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

UTILITY PLANT INSTRUCTIONS

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included either directly or by amortization thereof.

6. Land and Land Rights

A. The accounts for land and land rights include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights-of-way, and other like interests in land. Do not include in the accounts for land and land rights and rights-of-way costs incurred in connection with first clearing and grading of land and rights-of-way and the damage costs associated with the construction and installation of plant. Such costs shall be included in the appropriate plant accounts directly benefited.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, or other property acquired with rights-of-way or other lands shall be credited to the appropriate plant account to which related. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 421, Miscellaneous Nonoperating Income.

D. Separate entries shall be made for the acquisition, transfer or retirement of each parcel of land, and each land right (except rights-of-way for distribution lines), or water right having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be charged or credited as appropriate to account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

UTILITY PLANT INSTRUCTIONS

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for utility operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost of each interest over the life thereof. (See account 404, Amortization of Limited-Term Utility Plant.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Condemnation proceedings, including court and counsel costs.
4. Consents and abutting damages, payment for.
5. Conveyancers' and notaries' fees.
6. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
7. Leases, cost of voiding upon purchase to secure possession of land.
8. Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
9. Retaining walls unless identified with structures.
10. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

UTILITY PLANT INSTRUCTIONS

11. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
12. Taxes assumed, accrued to date of transfer of title.
13. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
14. Appraisals prior to closing title.
15. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
16. Filing satisfaction of mortgage.
17. Documentary stamps.
18. Photographs of property at acquisition.
19. Fees and expenses incurred in the acquisition of water rights and grants.
20. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
21. Sidewalks and curbs constructed by the utility on public property.
22. Labor and expenses in connection with securing right-of-way, where performed by company employees and company agents.

7. Structures and Improvements

A. The accounts for structures and improvements include the cost of all buildings and facilities to house, support, or safeguard property of persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way, and the damage costs associated with construction and installation of plant.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir dam, waterway, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of

UTILITY PLANT INSTRUCTIONS

such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

F. The cost of disposing of materials excavated in connection with construction of structures shall be considered as part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) When such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

G. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

H. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Athletic field structures and improvements.
3. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
5. Coal bins and bunkers.
6. Commissions and fees to brokers, agents, architects and others.
7. Conduit (not to be removed) with its contents.
8. Damages to abutting property during construction.
9. Drainage and sewerage systems.
10. Elevators, cranes, hoists, etc., and the machinery for operating them.
11. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, test borings.
12. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
13. Fire protection systems when forming a part of a structure.
14. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
15. Grading and clearing when directly occasioned by the building of a structure.

UTILITY PLANT INSTRUCTIONS

16. Intrasite communication system, poles, pole fixtures, wires and cables.
17. Landscaping, lawns, shrubbery, etc.
18. Leases, voiding upon purchase to secure possession of structures.
19. Leased property, expenditures on.
20. Lighting fixtures and outside lighting system.
21. Painting, first cost.
22. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
23. Permits and privileges.
24. Platforms, railings and gratings when constructed as a part of a structure.
25. Retaining walls except when identified with land.
26. Roadways, railroads, bridges, and trestles intrasite except railroads provided for in equipment accounts.
27. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
28. Stacks-brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.
29. Storage facilities constituting a part of a building.
30. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
31. Tanks, constructed as part of a building or as a distinct structural unit.
32. Temporary shanties and other facilities used during construction (net cost).
33. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
34. Vaults constructed as part of a building.
35. Water basins or reservoirs.
36. Wharves.

Note--Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. Equipment

A. The cost of equipment chargeable to the utility plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies, consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction at installation of plant.

UTILITY PLANT INSTRUCTIONS

B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value (\$50 or less) or short life, unless the correctness of the accounting therefor as utility plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment, when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores", shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate utility plant account.

9. Additions and Retirements of Utility Plant

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of utility plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to utility plant, the cost thereof shall be added to the appropriate utility plant account, except that when units are acquired in the acquisition of any utility plant constituting an operating system, they shall be accounted for as provided in utility plant instruction 4.

UTILITY PLANT INSTRUCTIONS

(2) When a retirement unit is retired from utility plant, with or without replacement, the book cost thereof shall be credited to the utility plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to utility plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B (1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the utility plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the account for accumulated provision for depreciation shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate utility plant account.

D. The book cost of utility plant retired shall be the amount at which such property is included in the utility plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and, if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be charged or credited as

UTILITY PLANT INSTRUCTIONS

appropriate to account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of utility plant retired shall be charged in its entirety to account 110, Accumulated Provision for Depreciation and Amortization of Utility Plant. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 110, Accumulated Provision for Depreciation and Amortization of Utility Plant.

10. Transfers of Property

When property is transferred from one account for utility plant to another, from one utility department to another, from one operating division or area to another, to or from utility Plant in Service, Utility Plant Leased to Others, Property Held for Future Use, and Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

11. Common Utility Plant

A. If the utility is engaged in more than one utility service and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such a manner that it is impracticable to segregate it by utility services currently in the accounts, such property may be designated and classified as "common utility plant."

B. Utility plant designated as common utility plant shall be classified according to the detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301-399) the following: (1) The book cost of common utility plant, (2) The allocation of such cost to the respective departments using the common utility plant, and (3) The basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

UTILITY PLANT INSTRUCTIONS

12. Transmission and Distribution Plant

For the purpose of this system of accounts:

A. "Transmission system" means:

- (1) All land, conversion structures, and equipment employed at a primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) to change the voltage or frequency of electricity for the purpose of its more efficient or convenient transmission;
- (2) All land, structures, lines, switching and conversion stations, high tension apparatus, and their control and protective equipment between a generating or receiving point and the entrance to a distribution center or wholesale point; and
- (3) All lines and equipment whose primary purpose is to augment, integrate or tie together the sources of power supply.

B. "Distribution system" means all land, structures, conversion equipment, lines, line transformers, and other facilities employed between the primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) and of delivery to customers, which are not includible in transmission system, as defined in paragraph A, whether or not such land, structures, and facilities are operated as part of a transmission system or as part of a distribution system.

Note--Stations which change electricity from transmission to distribution voltage shall be classified as distribution stations.

C. Where poles or towers support both transmission and distribution conductors, the poles, towers, anchors, guys, and rights of way shall be classified as transmission system. The conductors, crossarms, braces, grounds, tiewire, insulators, etc., shall be classified as transmission or distribution facilities, according to the purpose for which used.

D. Where underground conduit contains both transmission and distribution conductors, the underground conduit and right of way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.

E. Land (other than rights of way) and structures used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.

OPERATING EXPENSE INSTRUCTIONS

1. Maintenance

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Utility Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other utility plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expense instruction 2.

Items

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring service ability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See utility plant instruction 9.)

2. Rents

A. The several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

OPERATING EXPENSE INSTRUCTIONS

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to utility plant leased from others shall be accounted for as provided in utility plant instruction 5.

BALANCE SHEET ACCOUNTS

Assets and Other Debits

1. Utility Plant

- 100 Utility Plant
- 110 Accumulated Provision for Depreciation and Amortization of Utility Plant

2. Other Property and Investments

- 121 Nonutility Property
- 122 Accumulated Provision for Depreciation and Amortization of Nonutility Property
- 123 Investment in Municipality
- 124 Other Investments
- 125 Special Funds

3. Current and Accrued Assets

- 131 Cash and Working Funds
- 132 Temporary Cash Investments
- 141 Notes Receivable
- 142 Customer Accounts Receivable
- 143 Other Accounts Receivable
- 144 Accumulated Provision for Uncollectible Accounts
- 145 Receivables from Municipality
- 150 Materials and Supplies
- 165 Prepayments
- 170 Other Current and Accrued Assets

4. Deferred Debits

- 181 Unamortized Debt Discount and Expense
- 182 Extraordinary Property Losses
- 183 Other Deferred Debits

Liabilities and Other Credits

5. Proprietary Capital

- 200 Capital Paid in by Municipality
- 215 Appropriated Earned Surplus
- 216 Unappropriated Earned Surplus

6. Long-Term Debt

- 221 Bonds
- 223 Advances from Municipality
- 224 Other Long-Term Debt

BALANCE SHEET ACCOUNTS

7. Current and Accrued Liabilities

- 231 Notes Payable
- 232 Accounts Payable
- 233 Payables to Municipality
- 235 Customer Deposits
- 236 Taxes Accrued
- 237 Interest Accrued
- 238 Other Current and Accrued Liabilities

8. Deferred Credits

- 251 Unamortized Premium on Debt
- 252 Customer Advances for Construction
- 253 Other Deferred Credits

9. Operating Reserves

- 261 Property Insurance Reserve
- 262 Injuries and Damages Reserve
- 263 Pensions and Benefits Reserve
- 265 Miscellaneous Operating Reserves

10. Contributions in Aid of Construction

- 271 Contributions in Aid of Construction

BALANCE SHEET ACCOUNTS

1. Utility Plant

100 Utility Plant

There shall be shown under this caption the book cost of utility plant included in accounts 101 to 109, inclusive.

101 Utility Plant in Service

A. This account shall include the original cost of utility plant, included in the plant accounts prescribed herein and in similar accounts for other utility departments, owned and used by the utility in its utility operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. Separate subaccounts shall be maintained hereunder for each utility department.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property. (See utility plant instruction 5.)

102 Utility Plant Purchased or Sold

A. This account shall be charged with the cost of utility plant acquired as an operating unit or system by purchase, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with utility plant instruction 4.

B. Within six months from the date of acquisition or transfer of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

103 Utility Plant in Process of Reclassification

A. This account shall include temporarily the balance of utility plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the utility plant accounts herein prescribed (301-399), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified utility plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

BALANCE SHEET ACCOUNTS

104 Utility Plant Leased to Others

A. This account shall include the original cost of utility plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Property Held for Future Use

A. This account shall include the original cost of property owned and held for future use in utility service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in utility service, but held for such service in the future under a definite plan, and property previously used by the utility in utility service, but retired from such service and held pending its reuse in the future, under a definite plan, in utility service.

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service and the account shall be maintained in such detail as though the property were in service. Separate subaccounts shall be maintained hereunder for each utility department for which plant is held for future use.

Note.--Materials and supplies, meters and transformers held in reserve, or normal spare capacity of plant in service shall not be included in this account.

107 Construction Work in Progress

This account shall include the total of the balances of work orders for utility plant in process of construction but not ready for service at the date of the balance sheet.

108 Utility Plant Acquisition Adjustments

A. This account shall include the difference between (a) the cost to the accounting utility of utility plant acquired as an operating unit or system by purchase and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to depreciation and amortization reserves and contributions in aid of construction with respect to such property.

B. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

BALANCE SHEET ACCOUNTS

109 Other Utility Plant Adjustments

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of utility plant to the extent that such difference is not properly includible in account 108, Utility Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

Note.--The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of utility plant.

110 Accumulated Provision for Depreciation and Amortization of Utility Plant

A. This account shall be credited with the following:

- (1) Amounts charged to account 403, Depreciation Expense, to account 404, Amortization of Limited-Term Utility Plant, to account 405, Amortization of Other Utility Plant, to account 413, Expenses of Utility Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation and amortization.
- (2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation or amortization.
- (3) Amounts of depreciation applicable to utility properties acquired as operating units or systems. (See utility plant instruction 4.)
- (4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by Commission.
- (5) Amounts of depreciation applicable to utility plant donated to the utility.

B. At the time of retirement of utility plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate sub-account hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

BALANCE SHEET ACCOUNTS

C. Each utility shall maintain subsidiary records in which this account is segregated according to the utility department to which applicable. The amount applicable to the electric utility department shall be subdivided to show the amount applicable to Utility Plant in Service, Utility Plant Leased to Others, and Property Held for Future Use. These subsidiary records shall show the current credits and debits to this account in sufficient detail to show separately for each such subdivision, (1) The amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage and (5) other items, including recoveries from insurance.

D. When transfers of plant are made from one utility plant account to another, or from or to nonutility property, the accounting shall be as provided in utility plant instruction 10.

E. The utility is restricted in its use of the provisions for depreciation to the purposes set forth above. It shall not divert any portion of this account to surplus or make any other use thereof without authorization by the Commission.

2. Other Property and Investments

121 Nonutility Property

This account shall include the book cost of land, structures, equipment, or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Property Held for Future Use.

122 Accumulated Provision for Depreciation and Amortization of Nonutility Property

This account shall include the accumulated provision for depreciation and amortization applicable to property other than utility plant.

123 Investment in Municipality

This account shall include the book cost of securities of the municipality owned by the utility and the amount of loans and advances made by the utility to the municipality, when such loans and advances are subject to repayment but are not subject to current settlement. Balances in open accounts with the municipality which are subject to current settlement are includible in account 145, Receivables From Municipality.

124 Other Investments

A. This account shall include the book cost of investments in securities issued or assumed by others and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income)

BALANCE SHEET ACCOUNTS

B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

Note A.--Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

Note B.--Securities held as temporary cash investments shall not be included in this account.

125 Special Funds

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

3. Current and Accrued Assets

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been made therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash and Working Funds

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

Note.--Special Deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

BALANCE SHEET ACCOUNTS

132 Temporary Cash Investments

This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

141 Notes Receivable

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issuance.

Note.--The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer Accounts Receivable

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work. This account shall not include amounts due from the municipality.

B. This account shall be maintained so as to show separately the amounts due for merchandising, jobbing and contract work.

143 Other Accounts Receivable

This account shall include amounts due the utility upon open accounts, other than amounts due from the municipality and from customers for utility services and merchandising, jobbing and contract work.

144 Accumulated Provision for Uncollectible Accounts

This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

Note A.--Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

BALANCE SHEET ACCOUNTS

Note B.--If provisions for uncollectible other receivables are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

145 Receivables from Municipality

This account shall include amounts due the utility from the municipality or its other departments which are subject to current settlement.

Note.--On the balance sheet, accounts receivable from the municipality may be set off against accounts payable to it.

150 Materials and Supplies

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except line transformers and meters). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

- (1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.
- (2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.
- (3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

BALANCE SHEET ACCOUNTS

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

Items

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs, duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

Note A.--Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

Note B.--When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

165 Prepayments

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other Current and Accrued Assets

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. Deferred Debits

181 Unamortized Debt Discount and Expense

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

BALANCE SHEET ACCOUNTS

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary Property Losses

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use the account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other Deferred Debits

A. This account shall include the following classes of items:

- (1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense accounts.
- (2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

BALANCE SHEET ACCOUNTS

(3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(4) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

5. Proprietary Capital

200 Capital Paid in by Municipality

A. This account shall include the capital invested by the municipality in the utility which is not subject to repayment by the utility on demand or at a fixed future date. This includes the cost of plant constructed or acquired by the municipality and transferred to the utility free and clear of debt, cash transferred to the utility for construction of plant or for working capital or other permanent investment of the municipality in the utility.

B. There shall be charged to this account all amounts paid by the utility in liquidation of the capital paid in by the municipality.

Note.--Do not include in this account any amount representing advances subject to repayment or amounts subject to current settlement. (See accounts 223 and 233.)

215 Appropriated Earned Surplus

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated Earned Surplus

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings.

6. Long-Term Debt

221 Bonds

A. This account includes the face value of actually issued and unmatured bonds which are direct obligations of the utility. Bonds which have been issued as general obligations of the municipality shall not

BALANCE SHEET ACCOUNTS

be included herein even though the proceeds of the issue have been devoted to utility purposes. In such a case, the amount of the proceeds received by the utility department shall be recorded as an advance from the municipality and included in account 223, Advances from Municipality, if subject to repayment by the utility, otherwise in account 200, Capital Paid in by Municipality.

B. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show, (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it and not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

C. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be debited or credited, as appropriate, to account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus.

223 Advances from Municipality

A. This account shall include the face value of notes payable to the municipality and the amount of open book accounts representing advances from the municipality. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Payables to Municipality.

B. The records supporting the entries to these accounts shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other Long-Term Debt

This account shall include, until maturity, all long-term debt not otherwise provided for. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Note.--Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 221, Bonds.

7. Current and Accrued Liabilities

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date of maturity;

BALANCE SHEET ACCOUNTS

accrued taxes which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231 Notes Payable

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than the municipality.

232 Accounts Payable

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233 Payables to Municipality

This account shall include amounts payable to the municipality or its other departments which are subject to current settlement.

Note.--On the balance sheet, accounts payable to the municipality may be set off against accounts receivable from it.

235 Customer Deposits

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes Accrued

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be charged or credited, as appropriate, to account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus.

BALANCE SHEET ACCOUNTS

C. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest Accrued

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other Current and Accrued Liabilities

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

Items

1. Matured long-term debt.
2. Matured interest.
3. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

8. Deferred Credits

251 Unamortized Premium on Debt

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt.

B. The premium and expense shall be amortized over the life of the respective issue under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt--Cr.

252 Customer Advances for Construction

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other Deferred Credits

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which

BALANCE SHEET ACCOUNTS

cannot be entirely cleared or disposed of until additional information has been received.

9. Operating Reserves

261 Property Insurance Reserve

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A Schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262 Injuries and Damages Reserve

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

Note.--Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263 Pensions and Benefits Reserve

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

BALANCE SHEET ACCOUNTS

C. A separate account shall be kept for each kind of reserve included herein.

Note.--If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

265 Miscellaneous Operating Reserves

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

Note.--This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. Contributions in Aid of Construction

271 Contributions in Aid of Construction

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

D. Each construction grant received from a state or Federal agency, not including contributions collected in accordance with the utility's filed rates and rules concerning assessments and charges to utility customers for extensions, services and hook-up fees, shall be credited to a specific sub-account of account 271. When authorized by the Commission, the amount of each such grant will be amortized over the composite life of the property which was constructed from the grant funds by debits to the grant sub-account and credits to account 457, Amortization of Construction Grants

Note.--There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

UTILITY PLANT ACCOUNTS

1. Intangible Plant

- 301 Organization
- 302 Franchises and Consents
- 303 Miscellaneous Intangible Plant

2. Production Plant

A. Steam Production

- 310 Land and Land Rights
- 311 Structures and Improvements
- 312 Boiler Plant Equipment
- 313 Engines and Engine Driven Generators
- 314 Turbogenerator Units
- 315 Accessory Electric Equipment
- 316 Miscellaneous Power Plant Equipment

B. Hydraulic Production

- 330 Land and Land Rights
- 331 Structures and Improvements
- 332 Reservoirs, Dams and Waterways
- 333 Water Wheels, Turbines and Generators
- 334 Accessory Electric Equipment
- 335 Miscellaneous Power Plant Equipment
- 336 Roads, Railroads and Bridges

C. Other Production

- 340 Land and Land Rights
- 341 Structures and Improvements
- 342 Fuel Holders, Producers and Accessories
- 343 Prime Movers
- 344 Generators
- 345 Accessory Electric Equipment
- 346 Miscellaneous Power Plant Equipment

3. Transmission Plant

- 350 Land and Land Rights
- 352 Structures and Improvements
- 353 Station Equipment
- 354 Towers and Fixtures
- 355 Poles and Fixtures
- 356 Overhead Conductors and Devices
- 357 Underground Conduit
- 358 Underground Conductors and Devices
- 359 Roads and Trails

UTILITY PLANT ACCOUNTS

4. Distribution Plant

360	Land and Land Rights
361	Structures and Improvements
362	Station Equipment
363	Storage Battery Equipment
364	Poles, Towers and Fixtures
365	Overhead Conductors and Devices
366	Underground Conduit
367	Underground Conductors and Devices
368	Line Transformers
369	Services
370	Meters
371	Installations on Customers' Premises
372	Leased Property on Customers' Premises
373	Street Lighting and Signal Systems

5. General Plant

389	Land and Land Rights
390	Structures and Improvements
391	Office Furniture and Equipment
392	Transportation Equipment
393	Stores Equipment
394	Tools, Shop and Garage Equipment
395	Laboratory Equipment
396	Power Operated Equipment
397	Communication Equipment
398	Miscellaneous Equipment
399	Other Tangible Property

UTILITY PLANT ACCOUNTS

1. Intangible Plant

301 Organization

This account shall include expenditures incident to organizing the municipal utility and putting it into readiness to do business.

Note.--This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt.

302 Franchises and Consents

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval.

B. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

303 Miscellaneous Intangible Plant

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Utility Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. Production Plant

A. Steam Production

310 Land and Land Rights

This account shall include the cost of land and land rights used in connection with steam-power generation. (See utility plant instruction 6.)

UTILITY PLANT ACCOUNTS

311 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See utility plant instruction 7.)

Note.--Include steam production roads and railroads in this account.

312 Boiler Plant Equipment

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

Items

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe, fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.
3. Boiler plant cranes and hoists and associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blowdown system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, down-takes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.
7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.
8. Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.

UTILITY PLANT ACCOUNTS

9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.
10. Lighting systems.
11. Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.
12. Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.
13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.
14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313.
15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.
16. Ventilating equipment.
17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
18. Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

Note.--When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for producing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of account 311, Structures and Improvements.

313 Engines and Engine Driven Generators

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine driven main generators, except turbogenerator units.

Items

1. Air Cleaning and cooling apparatus, including blowers, drive

UTILITY PLANT ACCOUNTS

- equipment, air ducts not a part of building, louvres, pumps, hoods, etc.
2. Belting, shafting, pulleys, reduction gearing, etc.
 3. Circulating pumps, including connections between condensers and intake and discharge tunnels.
 4. Cooling system, including towers, pumps, tank, and piping.
 5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
 6. Cranes, hoists, etc., including items wholly identified with items listed herein.
 7. Engines, reciprocating or rotary.
 8. Fire-extinguishing systems.
 9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
 10. Generators--main, A.C. or D.C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.
 11. Governors.
 12. Lighting systems.
 13. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.
 14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
 15. Piping--main exhaust, including connections between generator and condenser and between condenser and hotwell.
 16. Piping--main steam, including connections from main throttle valve to turbine inlet.
 17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
 18. Pressure oil system, including accumulators, pumps, piping, motors, etc.
 19. Throttle and inlet valve.
 20. Tunnels, intake and discharge, for condenser system, when not a part of a structure.
 21. Water screens, motors, etc.

314 Turbogenerator Units

This account shall include the cost installed of main turbine driven units and accessory equipment used in generating electricity by steam.

Items

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvres, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers, and intake and discharge tunnels.

UTILITY PLANT ACCOUNTS

3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Cooling system, including towers, pumps, tanks, and piping.
5. Cranes, hoists, etc., including items wholly identified with main generating units.
6. Excitation system, when identified with main generating units.
7. Fire-extinguishing systems.
8. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
9. Governors.
10. Lighting systems.
11. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.
12. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
13. Piping--main exhaust, including connections between turbo-generator and condenser and between condenser and hotwell.
14. Piping--main steam, including connections from main throttle valve to turbine inlet.
15. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
16. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
17. Steelwork, specially constructed for apparatus listed herein.
18. Throttle and inlet valve.
19. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
20. Turbogenerators--main, including turbine and generator, field rheostats and electric connections for self-excited units.
21. Water screens, motors, etc.

315 Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

Items

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts,

UTILITY PLANT ACCOUNTS

- conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
 4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.
 5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchroscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

Note A.--Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

Note B.--When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

316 Miscellaneous Power Plant Equipment

This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steam-power production accounts.

UTILITY PLANT ACCOUNTS

Items

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railway cars not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

Note.--When any item of equipment listed herein is wholly used in connection with equipment included in another account its cost shall be included in such other account.

B. Hydraulic Production

330 Land and Land Rights

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See utility plant instruction 6.)

331 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See utility plant instruction 7.)

332 Reservoirs, Dams and Waterways

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

UTILITY PLANT ACCOUNTS

Items

1. Bridges and culverts (when not a part of roads or railroads.)
2. Clearing and preparing land.
3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric system, including conductors, control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power lines wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333 Water Wheels, Turbines and Generators

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tail-race) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

Items

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators-main, A.C. or D.C., including field rheostats and

UTILITY PLANT ACCOUNTS

connections for self-excited units and excitation system when identified with the generating unit.

6. Lighting systems.
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334 Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

Items

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.

UTILITY PLANT ACCOUNTS

4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

Note A.--Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

Note B.--When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335 Miscellaneous Power Plant Equipment

This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

Items

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.

UTILITY PLANT ACCOUNTS

8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

Note.--When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

336 Roads, Railroads and Bridges

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

Items

1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

Note A.--Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in account 331, Structures and Improvements.

Note B.--The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

UTILITY PLANT ACCOUNTS

C. Other Production

340 Land and Land Rights

This account shall include the cost of land and land rights used in connection with other power generation. (See utility plant instruction 6.)

341 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See utility plant instruction 7.)

342 Fuel Holders, Producers, and Accessories

This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

Items

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343 Prime Movers

This account shall include the cost installed of Diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

Items

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction, gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, Diesel, gasoline, gas or other internal combustion.

UTILITY PLANT ACCOUNTS

6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems.
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
13. Mufflers.
14. Piping.
15. Starting systems, compressed air, or other, including compressors, and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antiluctuators, etc.

344 Generators

This account shall include the cost installed of Diesel or other power driven main generators.

Items

1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generators--main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
5. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
6. Lighting systems.
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

345 Accessory Electric Equipment

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

UTILITY PLAN ACCOUNTS

Items

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.
4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.
5. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

Note A.--Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

UTILITY PLANT ACCOUNTS

Note B.--When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346 Miscellaneous Power Plant Equipment

This account shall include the cost installed of miscellaneous equipment in and about the other power generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

Items

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, collophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items wholly identified with apparatus listed herein.

Note.--When any item of equipment, listed herein, is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

3. Transmission Plant

350 Land and Land Rights

This account shall include the cost of land and land rights used in connection with transmission operations. (See utility plant instruction 6.)

UTILITY PLANT ACCOUNTS

352 Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See utility plant instruction 7.)

353 Station Equipment

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

Items

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of a building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including transformers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, and disconnect switches.
13. Tools and appliances.

UTILITY PLANT ACCOUNTS

354 Towers and Fixtures

This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

Items

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill and disposal of excess excavated material.
5. Foundations.
6. Guards.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355 Poles and Fixtures

This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

Items

1. Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing, stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.
9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.
13. Settings.
14. Shaving and painting.

356 Overhead Conductors and Devices

This account shall include the cost installed of overhead conductors and devices used for transmission purposes.

UTILITY PLANT ACCOUNTS

Items

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lighting arresters.
6. Switches.
7. Other line devices.

357 Underground Conduit

This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See utility plant instruction 12.)

Items

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

358 Underground Conductors and Devices

This account shall include the cost installed of underground conductors and devices used for transmission purposes.

Items

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.

UTILITY PLANT ACCOUNTS

6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

359 Roads and Trails

This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities.

Items

1. Bridges, including foundation piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

Note.--The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall be charged to the accounts appropriate for the construction.

4. Distribution Plant

360 Land and Land Rights

This account shall include the cost of land and land rights used in connection with distribution operations. (See utility plant instruction 6.)

Note.--Do not include in this account the cost of permits to erect poles, towers, etc. or to trim trees. See account 364, Poles, Towers and Fixtures, and account 365, Overhead Conductors and Devices.

361 Structures and Improvements

This account shall include the cost in place of structures and improvements in connection with distribution operations. (See utility plant instruction 7.)

UTILITY PLANT ACCOUNTS

362 Station Equipment

This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution.

Items

1. Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, disconnect switches.

Note.—The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in account 373, Street Lighting and Signal Systems.

363 Storage Battery Equipment

This account shall include the cost installed of storage battery equipment for the purpose of supplying electricity to meet emergency or peak demands.

UTILITY PLANT ACCOUNTS

Items

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and connections.
3. Battery room flooring, when specially laid for supporting batteries.
4. Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including end-cell switches and connections, boards and panels, used exclusively for battery control, not part of general station switchboard.
7. Ventilating equipment, including fans and motors, louvres, and ducts not part of building.

Note.--Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

364 Poles, Towers, and Fixtures

This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

Items

1. Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Foundations.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction.
11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other materials.
13. Racks complete with insulators.
14. Railings.
15. Reinforcing and stubbing.
16. Settings.
17. Shaving, painting, galing, roofing, stenciling, and tagging.
18. Towers.
19. Transformer racks and platforms.

UTILITY PLANT ACCOUNTS

365 Overhead Conductors and Devices

This account shall include the cost installed of overhead conductors and devices used for distribution purposes.

Items

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps.
5. Lightning arresters.
6. Railroad and highway crossing guards.
7. Splices.
8. Switches.
9. Tree trimming initial cost including the cost of permits therefor.
10. Other line devices.

Note.--The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in account 373, Street Lighting and Signal Systems.

366 Underground Conduit

This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

Items

1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc. permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

UTILITY PLANT ACCOUNTS

Note.--The cost of underground conduit used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

367 Underground Conductors and Devices

This account shall include the cost installed of underground conductors and devices used for distribution purposes.

Items

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

Note.--The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

368 Line Transformers

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

B. When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

UTILITY PLANT ACCOUNTS

Items

1. Installation, labor of (first installation only).
2. Transformer cut-out boxes.
3. Transformer lightning arresters.
4. Transformers, line and network.

Note.--The cost of removing and resetting line transformers shall not be charged to this account but to account 561, Line and Station Labor, or account 562, Line and Station Supplies and Expenses, as appropriate. The cost of line transformers used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

369 Services

This account shall include the cost installed of all overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

Items

1. Brackets.
2. Cables and wires.
3. Conduit.
4. Insulators.
5. Municipal inspection.
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Service switch.
11. Suspension wire.

370 Meters

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the installed cost thereof shall be credited to this account.

UTILITY PLANT ACCOUNTS

C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various capacities in service and in reserve as well as the location of each meter owned.

Items

1. Alternating current watt-hour meters.
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters.
6. Graphic demand meters.
7. Installation, labor of (first installation only).
8. Instrument transformers.
9. Maximum demand meters.
10. Meter badges and their attachments.
11. Meter boards and boxes.
12. Meter fittings, connections, and shelves (first set).
13. Meter switches and cut-outs.
14. Prepayment meters.
15. Protective devices.
16. Testing new meters.

Note A.--This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers.

Note B.--The cost of removing and resetting meters shall be charged to account 566, Meter Expenses.

371 Installations on Customers' Premises

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include leased equipment, for which see account 372, Leased Property on Customers' Premises.

Items

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and settings specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboards panels, high or low tension.
8. Wire and cable connections to incoming cables.

UTILITY PLANT ACCOUNTS

Note.--Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

372 Leased Property on Customers' Premises

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased or loaned to customers, but not including property held for sale.

Note A.--The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expenses, account 567, Customer Installations Expenses.

Note B.--Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

373 Street Lighting and Signal Systems

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

Items

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection.
6. Ornamental lampposts.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Posts and standards.
10. Protection of street openings.
11. Relays or time clocks.
12. Series contactors.
13. Switches.
14. Transformers, pole or underground.

UTILITY PLANT ACCOUNTS

5. General Plant

389 Land and Land Rights

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See utility plant instruction 6.)

390 Structures and Improvements

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See utility plant instruction 7.)

391 Office Furniture and Equipment

A. This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

Items

1. Bookcases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment, such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

392 Transportation Equipment

This account shall include the cost of transportation vehicles used for utility purposes.

Items

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.

UTILITY PLANT ACCOUNTS

5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

393 Stores Equipment

A. This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies.

B. If the utility has equipment includible in this account at more than one location, separate record shall be maintained for each location.

Items

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394 Tools, Shop and Garage Equipment

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

Items

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Drill presses.
10. Derricks.
11. Electric equipment.
12. Engines.
13. Forges.
14. Furnaces.
15. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided.

UTILITY PLANT ACCOUNTS

16. Gas producers.
17. Gasoline pumps, oil pumps and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

395 Laboratory Equipment

A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specifically provided for or includible in other departmental or functional plant accounts.

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

Items

1. Ammeters.
2. Current batteries.
3. Frequency changers.
4. Galvanometers.
5. Inductometers.
6. Laboratory standard millivolt meters.
7. Laboratory standard volt meters.
8. Meter-testing equipment.
9. Millivolt meters.
10. Motor generator sets.
11. Panels.
12. Phantom loads.
13. Portable graphic ammeters, voltmeters, and wattmeters.
14. Portable loading devices.
15. Potential batteries.
16. Potentiometers.
17. Rotating standards.
18. Standard cell, reactance, resistor, and shunt.
19. Switchboards.

UTILITY PLANT ACCOUNTS

20. Synchronous timers.
21. Testing panels.
22. Testing resistors.
23. Transformers.
24. Voltmeters.
25. Other testing, laboratory, or research equipment not provided for elsewhere.

396 Power Operated Equipment

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

Items

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machine.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machine.
10. Pipe coating or wrapping machines.
11. Tractors--Crawler type.
12. Trenchers.
13. Other power operated equipment.

Note.--It is intended that this account include only such large units as are generally self-propelled or mounted on movable equipment.

397 Communication Equipment

This account shall include the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations.

Items

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs.
7. Hand sets, manual and dial.

UTILITY PLANT ACCOUNTS

8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators' desks.
12. Poles and fixtures used wholly for telephone or telegraph wire.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries.
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

398 Miscellaneous Equipment

This account shall include the cost of equipment, apparatus, etc., used in the utility operations, and which is not includible in any other account of this system of accounts.

Items

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operators' cottage furnishings.
8. Other miscellaneous equipment.

Note.--Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts on a functional basis.

399 Other Tangible

This account shall include the cost of tangible utility plant not provided for elsewhere.

INCOME ACCOUNTS

1. Utility Operating Income

Operating Revenues (400)

Operating Expenses:

Operation Expense (401)

Maintenance Expense (402)

Depreciation Expense (403)

Amortization Expense (404-407)

Taxes (408)

Total Operating Expenses

Net Operating Revenues

Income from Utility Plant Leased to Others (412-413)

Utility Operating Income

2. Other Income

Income from Merchandising, Jobbing and Contract Work (415-416)

Income from Nonutility Operations (417)

Nonoperating Rental Income (418)

Interest and Dividend Income (419)

Miscellaneous Nonoperating Income (421)

Total Other Income

Total Income

3. Miscellaneous Income Deductions

Miscellaneous Amortization (425)

Other Income Deductions (426)

Total Income Deductions

Income Before Interest Charges

4. Interest Charges

Interest on Long-Term Debt (427)

Amortization of Debt Discount and Expense (428)

Amortization of Premium on Debt--Cr. (429)

Interest on Debt to Associated Companies (430)

Other Interest Expense (431)

Interest Charged to Construction--Cr. (432)

Total Interest Charges

Net Income

5. Earned Surplus

Unappropriated Earned Surplus (at beginning of period) (216)

Balance Transferred from Income (433)

Miscellaneous Credits to Surplus (434)

Miscellaneous Debits to Surplus (435)

Appropriations of Surplus (436)

Net Addition to Earned Surplus

Appropriations of Income to Municipal Funds (439)

Unappropriated Earned Surplus (at end of period) (216)

INCOME ACCOUNTS

1. Utility Operating Income

400 Operating Revenues

There shall be shown under this caption the total amount included in the operating revenue accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

401 Operation Expense

There shall be shown under this caption the total amount included in the operation expense accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

402 Maintenance Expense

There shall be shown under this caption the total amount included in the maintenance expense accounts provided herein and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

403 Depreciation Expense

A. This account shall include the amount of depreciation expense for all classes of depreciable utility plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of salvage and cost of removal for property retired from each account, or subdivision thereof, for depreciable utility plant.

C. If the utility is engaged in more than one utility service, a separate account shall be kept hereunder for each utility service.

Note A.--Depreciation expense applicable to property included in account 104, Utility Plant Leased to Others, shall be charged to account 413, Expenses of Utility Plant Leased to Others.

Note B.--Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment, and other general equipment may be charged to clearing accounts as necessary to obtain a proper distribution of expenses between construction and operation.

INCOME ACCOUNTS

404 Amortization of Limited-Term Utility Plant

This account shall include amortization charges applicable to amounts included in the utility plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 110, Accumulated Provision for Depreciation and Amortization of Utility Plant.)

405 Amortization of Other Utility Plant

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other utility plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406 Amortization of Utility Plant Acquisition Adjustments

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 108, Utility Plant Acquisition Adjustments.

407 Amortization of Property Losses

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to operating expenses.

408 Taxes

A. This account shall include the amount of taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to utility operations. The charge for tax equivalents due to the municipality shall be made in accordance with Wisconsin Administrative Code, Section PSC 109.

B. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering a number of utility services, taxes includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility

INCOME ACCOUNTS

department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

Note A.--Taxes applicable to nonutility property or investments shall be charged to the account in which the income from the property or investments is included.

Note B.--Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

Note C.--Taxes specifically applicable to construction shall be included in the cost of construction.

Note D.--Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

Note E.--Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

Note F.--Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

412 Revenues from Utility Plant Leased to Others

413 Expenses of Utility Plant Leased to Others

These accounts shall include, respectively, revenues from utility property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Utility Plant Leased to Others, and the expenses attributable to such property.

2. Other Income

415 Revenues from Merchandising, Jobbing, and Contract Work

416 Costs and Expenses of Merchandising, Jobbing and Contract Work

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

INCOME ACCOUNTS

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

Items

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

1. Cost of merchandise sold and of materials used in jobbing work.
2. Labor installing appliances and wiring, piping or other property on a contract basis.
3. Advertising and other selling expenses in connection with merchandise and jobbing activities.
4. Losses on uncollectible merchandise accounts.

417 Income from Nonutility Operations

A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes.

418 Nonoperating Rental Income

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Non-utility Property, which is not used in operations covered by account 417.

B. The expenses shall include all elements of costs incurred in the ownership and rental of the property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.

INCOME ACCOUNTS

Rents.
Depreciation.
Amortization.
Taxes.

419 Interest and Dividend Income

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include for each accounting period the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost of the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

Note.--Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest upon re-acquired securities issued or assumed by the utility shall not be credited to this account.

421 Miscellaneous Nonoperating Income

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

Items

1. Profit on sale of timber. (See utility plant instruction 6, C.)
2. Profits from operations of others realized by the utility under contracts.
3. Miscellaneous Income Deductions.

3. Miscellaneous Income Deductions

425 Miscellaneous Amortization

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly

INCOME ACCOUNTS

without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

Items

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.

426 Other Income Deductions

This account shall include miscellaneous expense items which are non-operating in nature but which are properly deductible before determining total income before interest charges.

Items

1. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
2. Penalties or fines for violation of statutes pertaining to regulation.
3. Expenditures for purposes of:
 - a) Influencing public opinion with respect to the election or appointment of public officials, or the adoption, repeal, revocation or modification of referenda, legislation or ordinances.
 - b) Obtaining approval, modification or revocation of franchises.
 - c) Influencing the decisions of public officials not including such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

4. Interest Charges

427 Interest on Long-Term Debt

A. This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

Note.--This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of Debt Discount and Expense

A. This account shall include in each accounting period the portion of unamortized debt discount and expense on outstanding long-term debt which is applicable to such period. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

INCOME ACCOUNTS

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of Premium on Debt--Cr.

A. This account shall include in each accounting period the portion of unamortized net premium on outstanding long-term debt which is applicable to such period. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on Debt to Municipality

A. This account shall include in each accounting period the interest accrued on amounts included in account 223, Advances from Municipality, and on all other obligations to the municipality.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other Interest Expenses

This account shall include in each accounting period all interest charges not provided for elsewhere.

Items

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with the municipality.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.

432 Interest Charged to Construction--Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. Earned Surplus

433 Balance Transferred from Income

This account shall include the net credit or debit transferred from income for the year.

INCOME ACCOUNTS

434 Miscellaneous Credits to Surplus

This account shall include credits affecting earned surplus not provided for elsewhere. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

Items

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous Debits to Surplus

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

Items

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Amortization of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.

436 Appropriations of Surplus

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

Items

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

INCOME ACCOUNTS

439 Appropriations of Income to Municipal Funds

This account shall include the amount of cash or other assets payable to the municipality out of the income or earned surplus of the utility.

OPERATING REVENUE ACCOUNTS

1. Sales of Electricity

- 440 Residential Sales
- 441 Rural Sales
- 442 Small Commercial and Industrial Sales
- 443 Large Commercial and Industrial Sales
- 444 Public Street and Highway Lighting
- 447 Sales for Resale
- 448 Interdepartmental Sales

2. Other Operating Revenues

- 450 Forfeited Discounts
- 451 Miscellaneous Service Revenues
- 453 Sales of Water and Water Power
- 454 Rent from Electric Property
- 455 Interdepartmental Rents
- 456 Other Electric Revenues
- 457 Amortization of Construction Grants

OPERATING REVENUE ACCOUNTS

1. Sales of Electricity

440 Residential Sales

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

Note.--When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Small Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

441 Rural Sales

A. This account shall include the net billing for electricity supplied to rural and farm customers and billed under distinct rural or farm rates.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

442 Small Commercial and Industrial Sales

A. This account shall include the net billing for electricity supplied for commercial and industrial purposes to customers with less than 50 kw of actual or estimated maximum demand, or connected load, or where such data are not readily available, with consumption of less than 120,000 kw-hrs. per annum.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

Note.--When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial service, classification shall be made according to the principal use.

OPERATING REVENUE ACCOUNTS

443 Large Commercial and Industrial Sales

A. This account shall include the net billing for electricity supplied for commercial and industrial purposes to customers with 50 kw or more of actual or estimated maximum demand, or connected load, or where such data are not readily available, with consumption of 120,000 kw-hrs. or more per annum.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

Note.--In classifying between large and small commercial and industrial sales, reasonable deviations above or below the 50 kw demand are permissible in order that transfers of customers between the two classes during the year may be minimized.

444 Public Street and Highway Lighting

A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

447 Sales for Resale

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

Note.--Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in commercial and industrial sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448 Interdepartmental Sales

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it

OPERATING REVENUE ACCOUNTS

to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

2. Other Operating Revenues

450 Forfeited Discounts

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay their electric bills on or before a specified date.

451 Miscellaneous Service Revenues

This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

Items

1. Fees for changing, connecting or disconnecting service.
2. Profit on maintenance of appliances, wiring, piping or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year.
4. Recovery of expenses in connection with current diversion cases (billing for the electricity consumed shall be included in the appropriate electric revenue account).

453 Sales of Water and Water Power

A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as utility plant in service.

B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used, such as city water supply, development of electricity by other utilities, industrial uses, irrigation, etc.

454 Rent from Electric Property

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to electric operations by the utility.

OPERATING REVENUE ACCOUNTS

B. When property owned by the utility is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account

Note.--Do not include in this account rents from property constituting an operating unit or system. (see account 412, Revenues from Utility Plant Leased to Others.)

455 Interdepartmental Rents

This account shall include rents credited to the electric department on account of rental charges made against other departments (gas, water, etc.) of the utility. In the case of property operated under a definite arrangement to allocate the costs among the departments using the property, any reimbursement to the electric department for interest or return and depreciation and taxes shall be credited to this account.

Note.--Charges for electricity supplied other utility departments shall not be included in this account but in account 448, Interdepartmental Sales.

456 Other Electric Revenues

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

Items

1. Compensation for minor incidental services provided for others such as customer billing, engineering, etc.
2. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
3. Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.

457 Amortization of Construction Grants

When authorized by the Commission, this account shall include credits for amortization of construction grants received from state and Federal agencies. (See Account 271, paragraph D.)

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. Power Production Expenses

A. Steam Power Generation

Operation

500 Operation Supervision and Labor
501 Fuel
502 Operation Supplies and Expenses
503 Steam from Other Sources
504 Steam Transferred--Cr.

Maintenance

506 Maintenance of Steam Production Plant

B. Hydraulic Power Generation

Operation

530 Operation Supervision and Labor
531 Water for Power
532 Operation Supplies and Expenses

Maintenance

535 Maintenance of Hydraulic Production Plant

C. Other Power Generation

Operation

538 Operation Supervision and Labor
539 Fuel
540 Operation Supplies and Expenses

Maintenance

543 Maintenance of Other Power Production Plant

D. Other Power Supply Expenses

Operation

545 Purchased Power
546 Other Expenses

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

2. Transmission Expenses

Operation

- 550 Operation Supervision and Labor
- 551 Operation Supplies and Expenses

Maintenance

- 553 Maintenance of Transmission Plant

3. Distribution Expenses

Operation

- 560 Operation Supervision Expenses
- 561 Line and Station Labor
- 562 Line and Station Supplies and Expenses
- 565 Street Lighting and Signal System Expenses
- 566 Meter Expenses
- 567 Customer Installations Expenses
- 569 Miscellaneous Distribution Expenses

Maintenance

- 571 Maintenance of Structures and Equipment
- 572 Maintenance of Lines
- 573 Maintenance of Line Transformers
- 574 Maintenance of Street Lighting and Signal Systems
- 575 Maintenance of Meters
- 576 Maintenance of Miscellaneous Distribution Plant

4. Customer Accounts Expenses

Operation

- 901 Meter Reading Labor
- 902 Accounting and Collecting Labor
- 903 Supplies and Expenses
- 904 Uncollectible Accounts

5. Sales Expenses

Operation

- 910 Sales Expenses

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

6. Administrative and General Expenses

Operation

- 920 Administrative and General Salaries
- 921 Office Supplies and Expenses
- 922 Administrative Expenses Transferred--Cr.
- 923 Outside Services Employed
- 924 Property Insurance
- 925 Injuries and Damages
- 926 Employee Pensions and Benefits
- 928 Regulatory Commission Expenses
- 930 Miscellaneous General Expenses
- 933 Transportation Expenses

Maintenance

- 935 Maintenance of General Plant

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. Power Production Expenses

A. Steam Power Generation

500 Operation Supervision and Labor

This account shall include the cost of supervision and labor in the operation of steam power generating stations.

Items

Boiler Room Labor:

1. Supervising steam production.
2. Operating fuel conveying, storage, weighing and processing equipment within boiler plant.
3. Operating boiler and boiler auxiliary equipment.
4. Operating boiler feed water purification and treatment equipment.
5. Operating ash collecting and disposal equipment located inside the plant.
6. Operating boiler plant electrical equipment.
7. Keeping boiler plant log and records and preparing reports on boiler plant operations.
8. Testing boiler water.
9. Testing, checking, and adjusting meters, gauged and other instruments in boiler plant.
10. Cleaning boiler plant equipment when not incidental to maintenance work.
11. Repacking glands and replacing gauge glasses where the work involved is of a minor nature and is performed by regular operating crews. Where the work is of a major character such as that performed on high pressure boilers the item should be considered as maintenance.

Electric Plant Labor:

12. Supervising electric production.
13. Operating turbines, engines, generators and exciters.
14. Operating condensers, circulating water systems and other auxiliary apparatus.
15. Operating generator cooling system.
16. Operating lubrication and oil control system, including oil purification.
17. Operating switchboards, switch gear and electric control and protective equipment.
18. Keeping electric plant log and records and preparing reports on electric plant operations.
19. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

20. Cleaning electric plant equipment when not incidental to maintenance work.
21. Repacking glands and replacing gauge glasses.

Miscellaneous Labor:

22. General clerical and stenographic work at plant.
23. Guarding and patrolling plant and yard.
24. Building service.
25. Care of grounds including snow removal, cutting grass, etc.
26. Miscellaneous labor.

501 Fuel

A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler house structure. Records shall be maintained to show the quantity, B.T.U. content and cost of each type of fuel used.

B. The cost of fuel shall be charged initially to appropriate fuel accounts carried under account 150, Materials and Supplies, and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to an appropriate subaccount of account 150, Materials and Supplies. In the latter event, they shall be cleared to this account on the basis of the fuel used.

Items

Labor:

1. Supervising purchasing and handling of fuel.
2. All routine fuel analysis.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring fuel from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Materials and Expenses:

7. Cost of fuel including freight, switching, demurrage and other transportation.
8. Excise taxes, insurance, purchasing commissions and similar items.
9. Stores expenses to extent applicable to fuel.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

10. Transportation and other expenses in moving fuel in storage.
11. Tools, lubricants and other supplies.
12. Operating supplies for mechanical equipment.
13. Residual disposal expenses less any proceeds from sale of residuals.

Note.--Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

502 Operation Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in the operation of steam power generating stations.

Items

1. Boiler compounds, chemicals and boiler inspection fees.
2. Lubricants and control system oils.
3. Boiler feed water purchased and pumping supplies.
4. Generator cooling gases.
5. Circulating water purification supplies.
6. Cooling water purchased.
7. Motor and generator brushes.
8. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
9. First-aid supplies and safety equipment.
10. Employees' service facilities expenses.
11. Building service supplies.
12. Communication service.
13. Miscellaneous office supplies and expenses, printing and stationery.
14. Transportation expenses.
15. Meals, traveling and incidental expenses.
16. Rents of steam production plant.

503 Steam from Other Sources

This account shall include the cost of steam purchased or transferred from another department of the utility or from others under a joint facility operating arrangement, for use in prime movers devoted to the production of electricity.

Note.--The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another department or from others under a joint operating arrangement, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charge to electric generation and the extent and manner of use by each department or party involved.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

504 Steam Transferred--Cr.

A. This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of determination of the cost of steam transferred shall be maintained.

B. If the charges to others or to other departments of the utility include an amount for depreciation, taxes and return on the joint steam facilities, such portion of the charge shall be credited, in the case of others, to account 454, Rent from Electric Property, and in the case of other departments of the utility, to account 455, Interdepartmental Rents.

506 Maintenance of Steam Production Plant

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam production plant the book cost of which is includible in plant accounts 311 to 316, inclusive, and of similar property leased from others. (See operating expense instruction 1.)

B. Hydraulic Power Generation

530 Operation Supervision and Labor

This account shall include the cost of supervision and labor in the operation of hydraulic power generation stations.

Items

Hydraulic Labor:

1. Supervising hydraulic operation.
2. Removing debris and ice from trash racks, reservoirs and waterways.
3. Patrolling reservoirs and waterways.
4. Operating intakes, spillways, sluiceways, and outlet works.
5. Operating bubbler, heater or other de-icing systems.
6. Ice and log jam work.
7. Operating navigation facilities.
8. Operations relating to conservation of game, fish, forests, etc.
9. Insect control activities.

Electric Labor:

10. Supervising electric production.
11. Operating prime movers, generators and auxiliary equipment.
12. Operating generator cooling system.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

13. Operating lubrication and oil control systems, including oil purification.
14. Operating switchboards, switchgear, and electric control and protection equipment.
15. Keeping plant log and records and preparing reports on plant operations.
16. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
17. Cleaning plant equipment when not incidental to maintenance work.
18. Repacking glands.

Miscellaneous Labor:

19. General clerical and stenographic work.
20. Guarding and patrolling plant and yard.
21. Building service.
22. Care of grounds, including snow removal, cutting grass, etc.
23. Snow removal from roads and bridges.
24. Miscellaneous labor.

531 Water for Power

This account shall include the cost of water used for hydraulic power generation.

Items

1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.
5. Cloud seeding.

532 Operation Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in the operation of hydraulic power generating stations.

Items

1. Insect control materials.
2. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
3. Supplies and expenses in conservation of game, fish, forests, etc.
4. Transportation expense.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

5. Control system oils.
6. Motor and generator brushes.
7. General operating supplies, such as tools, gaskets, packing, waste, hose, indicating lamps, record and report forms, etc.
8. First-aid supplies and safety equipment.
9. Employees' service facilities expenses.
10. Building service supplies.
11. Communication service.
12. Office supplies printing and stationery.
13. Transportation expenses.
14. Fuel.
15. Meals, traveling and incidental expenses.
16. Rent of hydraulic power production plant.

535 Maintenance of Hydraulic Production Plant

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of hydraulic production plant the book cost of which is includible in plant accounts 331 to 336, inclusive, and of similar property leased from others. (See operating expense instruction 1.)

C. Other Power Generation

538 Operation Supervision and Labor

This account shall include the cost of supervision and labor in the operation of other power generating stations.

Items

Generating Labor:

1. Supervising other power generation operation.
2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
3. Keeping plant log and records and preparing reports on plant operations.
4. Testing, checking, cleaning, oiling and adjusting equipment.

Miscellaneous Labor:

5. General clerical and stenographic work.
6. Guarding and patrolling plant and yard.
7. Building service.
8. Care of grounds, including snow removal, cutting grass, etc.
9. Miscellaneous labor.

539 Fuel

This account shall include the cost delivered at the station

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

(see account 750, Materials and Supplies,) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

540 Operation Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in the operation of other power generating stations.

Items

1. Dynamo, motor, and generator brushes.
2. Lubricants and control system oils.
3. Water for cooling engines and generators.
4. Building service supplies.
5. First-aid supplies and safety equipment.
6. Communication service.
7. Employees' service facilities expenses.
8. Office supplies, printing and stationery.
9. Transportation expense.
10. Meals, traveling and incidental expenses.
11. Fuel for heating.
12. Water for fire protection or general use.
13. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.
14. Rents of other power generation plant.

543 Maintenance of Other Power Production Plant

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of other power generation plant, the book cost of which is includible in plant accounts 341 to 346, inclusive, and of similar property leased from others. (See operating expense instruction 1.)

D. Other Power Supply Expenses

545 Purchased Power

A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or interconnection agreements wherein there is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

B. The records supporting this account shall show, by months, the demands and demand charges, kilowatt-hours and prices thereof, under each purchase contract and the charges and credits under each exchange or power pooling contract.

546 Other Expenses

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. Transmission Expenses

550 Operation Supervision and Labor

This account shall include the cost of supervision and labor in the operation of the transmission system.

Items

Load Dispatching Labor:

1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Obtaining reports on the weather and special events.
5. Preparing operating reports and data for billing and budget purposes.

Station Labor:

6. Supervising station operation.
7. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.
8. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
9. Keeping station log and records and preparing reports on station operation.
10. Operation switching and other station equipment.
11. Standing watch, guarding, and patrolling station and station yard.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

12. Sweeping, mopping, and tidying station.
13. Care of grounds, including snow removal, cutting grass, etc.

Line Labor:

14. Supervising line operation.
15. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.
16. Load tests of circuits.
17. Routine line patrolling.
18. Routine voltage surveys made to determine the condition or efficiency of transmission system.
19. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
20. Routine inspection and cleaning of manholes, conduit, network and transformer vaults.
21. Electrolysis surveys.
22. Inspecting and adjusting line testing equipment such as voltmeters, ammeters, wattmeters, etc.
23. Regulation and addition of oil or gas in high voltage cable systems.

Miscellaneous Labor:

24. General records of physical characteristics of lines and stations, such as capacities, etc.
25. Ground resistance records.
26. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
27. Joint pole maps and records.
28. Line load and voltage records.
29. Preparing maps and prints.
30. General clerical and stenographic work.
31. Miscellaneous labor.

551 Operation Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in the operation of the transmission system.

Items

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Communication service.
6. First-aid supplies.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

7. Tool expense.
8. Transportation expenses.
9. Meals, traveling, and incidental expenses.
10. Rents of transmission plant.

553 Maintenance of Transmission Plant

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transmission plant the book cost of which is includible in plant accounts 351 to 359, inclusive, and of similar property leased from others. (See operating expense instruction 1.)

Items

1. Work of the following character on poles, towers and fixtures:
 - a. Installing or removing additional clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of the same pole or section of line.
 - c. Painting poles, towers, crossarms or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on pole.
 - h. Repairing or realigning pins, racks, or brackets.
 - i. Repairing pole supported platform.
 - j. Shaving, cutting, rot, or treating poles or crossarms in use or salvaged for reuse.
 - k. Repairs by others to jointly owned poles.
 - l. Stubbing poles already in service.
 - m. Supporting fixtures and conductors and transferring them to new pole during pole replacement.
 - n. Maintenance of pole signs, stencils, tags, etc.
2. Work of the following character on overhead conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 - b. Cleaning insulators and bushing.
 - c. Refusing cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Resagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

- h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Repairing line testing equipment.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - k. Trimming trees and clearing brush.
 - l. Chemical treatment of right of way areas when occurring subsequent to construction of line.
- 3. Work of the following character on roads and trails:
 - a. Repairing roadway, bridges, etc.
 - b. Trimming trees and brush to maintain previous roadway clearance.
 - c. Snow removal from roads and trails.
 - d. Maintenance work on publicly owned roads and trails when done by utility at its expense.
- 4. Work of the following character on underground conduit:
 - a. Cleaning ducts, manholes, and sewer connections.
 - b. Minor alterations of manholes, handholes, or vaults.
 - c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
 - d. Plugging and shelving or replugging ducts.
 - e. Repairs to sewers and drains, walls and floors, rings and covers.
- 5. Work of the following character on underground conductors and devices:
 - a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
 - b. Repairing grounds.
 - c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
 - d. Repairing conductors and splices.
 - e. Repairing or moving junction boxes and potheads.
 - f. Refireproofing of cables and repairing supports.
 - g. Repairing electrolysis preventive devices for cables.
 - h. Repairing cable bonding systems.
 - i. Sampling, testing, changing, purifying and replenishing insulating oil.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - k. Repairing line testing equipment.
 - l. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

3. Distribution Expenses

560 Operation Supervision Expenses

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account.

561 Line and Station Labor

This account shall include the cost of labor incurred in the operation of distribution lines and stations.

Items

Line Labor:

1. Supervising line operation.
2. Changing line transformer taps.
3. Inspecting and testing lightning arrester, line circuit breakers, switches, and grounds.
4. Inspecting and testing line transformers for the purpose of determining load, temperature, or operating performance.
5. Patrolling lines.
6. Load tests and voltages surveys of feeders, circuits, and line transformers.
7. Removing line transformers and voltage regulators with or without replacement.
8. Installing line transformers or voltage regulators with or without change in capacity provided that the cost of first installation of these items is included in account 368, Line Transformers.
9. Voltage surveys, either routine or upon request of customers, including voltage tests at customer's main switch.
10. Transferring loads, switching and reconnecting circuits and equipment for operation purposes.
11. Electrolysis surveys.
12. Inspecting and adjusting line testing equipment.

Station Labor:

1. Supervising station operation.
2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators, or changing station transformer taps.
3. Keeping station log and records and preparing reports on station operation.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.
5. Operating switching and other station equipment.
6. Standing watch, guarding and patrolling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.

562 Line and Station Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in the operation of distribution lines and stations.

Items

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Tool expense.
6. Transportation expense.
7. Meals, traveling and incidental expenses.

565 Street Lighting and Signal System Expenses

This account shall include the cost of labor, materials used and expenses incurred in the operation of street lighting and signal system plant.

Items

Labor:

1. Supervising street lighting and signal systems operation.
2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
4. Testing lines and equipment including voltage and current measurement.
5. Winding and inspection of time switch and other controls.

Materials and Expenses:

6. Street lamp renewals.
7. Transportation and tool expense.
8. Meals, traveling, and incidental expenses.

566 Meter Expenses

This account shall include the cost of labor, materials used and

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

expenses incurred in the operation of customer meters and associated equipment.

Items

Labor:

1. Supervising meter operation.
2. Clerical work on meter history and associated equipment record cards, test cards, and reports.
3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
4. Consolidating meter installations due to elimination of separate meters for different rates of service.
5. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
6. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
7. Inspecting and adjusting meter testing equipment.
8. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

Materials and Expenses:

9. Meter seals and miscellaneous meter supplies.
10. Transportation expenses.
11. Meals, traveling, and incidental expenses.
12. Tool expenses.

Note.--The cost of the first setting and testing of a meter is chargeable to utility plant account 370, Meters.

567 Customer Installations Expenses

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations and in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

Items

Labor:

1. Supervising customer installations work.
2. Inspecting premises, including check of wiring for code compliance.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

3. Investigating, locating, and clearing grounds on customers' wiring.
4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
5. Installing, removing, renewing, and changing lamps and fuses.
6. Radio interference work including erection of new aerials on customers' premises and patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate radio interference.
7. Installing, connecting, reinstalling, or removing leased property on customers' premises.
8. Testing, adjusting, and repairing customers' fixtures and appliances in shop or on premises.
9. Cost of changing customers' equipment due to changes in service characteristics.
10. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost indentifiably as caused by current diversion.

Materials and Expenses:

11. Lamp and fuse renewals.
12. Materials used in servicing customers' fixtures, appliances and equipment.
13. Power, light, heat, telephone, and other expenses of appliance repair department.
14. Tool expense.
15. Transportation expense, including pickup and delivery charges.
16. Meals, traveling and incidental expenses.
17. Rewards paid for discovery of current diversion.

Note A.--Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 451, Miscellaneous Service Revenues.

Note B.--Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

569 Miscellaneous Distribution Expenses

This account shall include the cost of labor, materials used and expenses incurred in distribution system operation not provided for elsewhere.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Items

Labor:

1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.
5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to account 566, Meter Expenses.
8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 566, Meter Expenses, and station records chargeable to account 561, Line and Station Labor.
9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:

10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing and stationery, maps and records and first-aid supplies.
13. Rents of distribution plant.

571 Maintenance of Structures and Equipment

This account shall include the cost of labor, materials used and expenses incurred in maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements, account 362, Station Equipment, and account 363, Storage Battery Equipment, and of similar property leased from others. (See operating expense instruction 1.)

572 Maintenance of Lines

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution line facilities, the book cost of which is includible in account 364, Poles, Towers and Fixtures, account 365, Overhead Conductors and Devices, account 366, Underground Conduit, account 367, Underground Conductors and Devices, and account 369, Services, and of similar property leased from others. (See operating expense instruction 1.)

1. Work of the following character on poles, towers, and fixtures:
 - a. Installing additional clamps or removing clamps or strain insulators, on guys in place.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

- b. Moving line or guy pole in relocation of pole or section of line.
 - c. Painting poles, towers, crossarms, or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces, pins, racks, brackets, and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on pole.
 - h. Repairing pole supported platform.
 - i. Repairs by others to jointly owned poles.
 - j. Shaving, cutting rot, or treating poles or crossarms in use or salvage for reuse.
 - k. Stubbing poles already in service.
 - l. Supporting conductors, transformers, and other fixtures and transferring them to new poles during pole replacement.
 - m. Maintaining pole signs, stencils, tags, etc.
2. Work of the following character on overhead conductors and devices:
- a. Overhauling and repairing line cutouts, line switches, line breakers, and capacitor installations.
 - b. Cleaning insulators and bushings.
 - c. Refusing line cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Resagging, retying, or rearranging position or spacing of conductors.
 - g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Transferring loads, switching, and reconnecting circuits and equipment for maintenance purposes.
 - j. Repairing line testing equipment.
 - k. Trimming trees and clearing brush.
 - l. Chemical treatment or right of way area when occurring subsequent to construction of line.
3. Work of the following character on underground conduit:
- a. Cleaning ducts, manholes, and sewer connections.
 - b. Moving or changing position of conduit or pipe.
 - c. Minor alterations of handholes, manholes, or vaults.
 - d. Refastening, repairing or moving racks, ladders, or hangers in manholes or vaults.
 - e. Plugging and shelving ducts.
 - f. Repairs to sewers, drains, walls and floors, rings and covers.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

4. Work of the following character on underground conductors and devices:

- a. Repairing circuit breakers, switches, cutouts, network protectors, and associated relays and control wiring.
- b. Repairing grounds.
- c. Retraining and reconnecting cables in manhole including transfer of cables from one duct to another.
- d. Repairing conductors and splices.
- e. Repairing or moving junction boxes and potheads.
- f. Refireproofing cables and repairing supports.
- g. Repairing electrolysis preventive devices for cables.
- h. Repairing cable bonding systems.
- i. Sampling, testing, changing, purifying and replenishing insulating oil.
- j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
- k. Repairing line testing equipment.
- l. Repairing oil or gas equipment in high voltage cable system and replacement of oil or gas

5. Work of the following character on services:

- a. Moving position of service either on pole or on customers' premises.
- b. Pulling slack in service wire.
- c. Retying service wire.
- d. Refastening or tightening service bracket.
- e. Cleaning ducts.

573 Maintenance of Line Transformers

This account shall include the cost of labor, materials used and expenses incurred in maintenance of distribution line transformers, the book cost of which is includible in account 368, Line Transformers, and of similar property leased from others. (See operating expense instruction 1.)

574 Maintenance of Street Lighting and Signal Systems

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 373, Street Lighting and Signal Systems, and of similar property leased from others. (See operating expense instruction 1.)

575 Maintenance of Meters

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in account 370, Meters, and

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

account 395, Laboratory Equipment, respectively, and of similar property leased from others. (See operating expense instruction 1.)

576 Maintenance of Miscellaneous Distribution Plant

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 371, Installations on Customers' Premises, and account 372, Leased Property on Customers' Premises, and of similar property leased from others, and any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere. (See operating expense instruction 1.)

Items

1. Work of similar character to that listed in other distribution maintenance accounts.
2. Maintenance of office furniture and equipment used by distribution system department.

4. Customer Accounts Expenses

901 Meter Reading Labor

This account shall include the cost of labor incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters.

Items

Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Reading meters, including demand meters, and obtaining load information for billing purposes. Exclude and charge to account 566, Meter Expenses, or to account 902, Accounting and Collecting Labor, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing, or locking, and disconnecting, or reconnecting meters.
5. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
6. Collecting from prepayment meters when incidental to meter reading.
7. Maintaining record of customers' keys.
8. Computing estimated or average consumption when performed by employees engaged in reading meters.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

902 Accounting and Collecting Labor

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

Items

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
16. Disconnecting and reconnecting service because of non-payment of bills.
17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.
19. Preparing and periodically rewriting meter reading sheets.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Note.--The cost of work on meter history and meter location records is chargeable to account 566, Meter Expenses.

903 Supplies and Expenses

This account shall include the cost of materials used and expenses incurred in meter reading and the handling of customer accounts.

Items

1. Badges, lamps and uniforms.
2. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
3. Address plates and supplies.
4. Cash overages and shortages when written off.
5. Commissions or fees to others for collecting.
6. Payments to credit organizations for investigations and reports.
7. Postage.
8. Transportation of customer bills and meter books under centralized billing procedure.
9. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
10. Forms for recording orders for services, removals, etc.
11. Rent of mechanical equipment.
12. Transportation, meals and incidental expenses.
13. Communication service.
14. Miscellaneous office supplies and expenses and stationery and printing.

904 Uncollectible Accounts

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to account 144.

5. Sales Expenses

910 Sales Expenses

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of electricity, other than merchandising, jobbing or contract work activities.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Items

Advertising
Demonstrating Uses of Utility Service
Home Service Activities
Solicitation of New Business

6. Administrative and General Expenses

920 Administrative and General Salaries

This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operation function.

921 Office Supplies and Expenses

This account shall include office supplies and other expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts.

Items

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Utility memberships are includible in account 930.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing, and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative Expenses Transferred--Cr.

This account shall be credited with administrative expenses recorded in account 920, and 921, which are transferred to construction costs or to nonutility accounts.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

923 Outside Services Employed

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function nor to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

Items

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

924 Property Insurance

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

Items

1. Premiums payable to insurance companies, for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.
2. Amounts credited to account 261, Property Insurance Reserve, for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Note A.--The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

Note B.--The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

- (1) Materials and supplies and stores equipment to stores expenses or to appropriate materials account.
- (2) Transportation and garage equipment, to account 933, Transportation Expenses.
- (3) Utility plant leased to others, to account 413, Expenses of Utility Plant Leased to Others.
- (4) Nonutility property, to the appropriate nonutility income account.
- (5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

925 Injuries and Damages

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

Items

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve, for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

Note A.--Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

Note B.--The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

Note C.--Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

926 Employee Pensions and Benefits

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for the purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, education or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the account involved and are not included herein in the first instance.

Items

1. Payment of pensions under a nonaccrual or nonfunded basis.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

Note A.--The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

Note B.--Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

928 Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees, and also including payments made to the United States for the administration of the Federal Power Act.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

Items

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

2. Office supplies, and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

Note.--Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

930 Miscellaneous General Expenses

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

Items

Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

2. Industry association dues for utility memberships.
3. Contributions for conventions and meetings of the industry.
4. Experimental and general research work for the industry.
5. Communication service not chargeable to other accounts.
6. Trustee and registrar fees and expenses.
7. Publishing and distributing annual reports.
8. Institutional or goodwill advertising.
9. Public notices of financial, operating, and other data required by regulatory statutes.
10. Rents for plant used in customer accounts, sales, or administrative and general functions.

933 Transportation Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, utility plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

Items

1. Depreciation of transportation equipment.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

2. Insurance on transportation equipment.
3. License fees for vehicles and drivers.
4. Rents for equipment and garages.
5. Repairs of transportation equipment.
6. Supplies, such as gas, oil, tires, tubes, grease, etc.

Note.--Transportation expenses applicable to construction shall not be included in operating expenses.

935 Maintenance of General Plant

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, and other general equipment accounts (not including transportation equipment) and of similar property leased from others. Include, also, the cost of repairing for reuse materials which previously were included in those accounts. (See operating expense instruction 1.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Steam Generation	Account 506
Hydraulic Generation	Account 535
Other Generation	Account 543
Transmission	Account 553
Distribution	Account 576
Merchandise and Jobbing	Account 416
Garages, Shops, etc.	Appropriate general expense or clearing account.

Note.--Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance account indicated by the use of the equipment.